

STATE OF MICHIGAN  
DEPARTMENT OF LABOR & ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE SERVICES

Before the Commissioner of the Office of Financial and Insurance Services

*In the Matter of:*

Carolyn Sue Callahan

Enforcement Case No. 06-3990

Respondent  
\_\_\_\_\_

*Issued and entered  
on November 27, 2006  
by Richard D. Lavolette  
Chief Deputy Commissioner*

**ORDER TO REVOKE AGENT REGISTRATION AND CEASE AND DESIST FROM  
TRANSACTIONING SECURITIES BUSINESS IN THE STATE OF MICHIGAN**

The Office of Financial and Insurance Services (OFIS) of the Michigan Department of Labor and Economic Development, pursuant to the Administrative Procedures Act of 1969, 1969 PA 306, as amended; MCL 24.201 *et seq.*; the Michigan Uniform Securities Act, 1964 PA 265, as amended; MCL 451.501 *et seq.* (Act), and the rules promulgated under the Act, says that:

**A. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

1. Carolyn Sue Callahan (hereafter "Callahan") is an individual currently residing at: FCI-Pekin Satellite Camp, P.O. Box 5000, Pekin, Illinois 61555.
2. At all times pertinent, Callahan was a registered securities agent in the State of Michigan with the CRD No. \_\_\_\_\_.
3. Callahan was most recently affiliated with the Broker Dealer Brecek & Young Advisors, Inc. (CRD No. \_\_\_\_\_).
4. On February 18, 2005, Brecek & Young Advisors, Inc. terminated Callahan for misuse of client funds.

5. Since February 18, 2005, Callahan has not had an association with or been employed by a registered broker dealer.
6. On February 22, 2005, the Office of Financial and Insurance Services terminated Callahan's agent registration due to her lack of association/employment with a registered broker dealer.
7. On November 15, 2005, Callahan plead guilty to a felony embezzlement charge under Section 174 of the Michigan Penal Code, MCL 750.174.
8. On December 27, 2005, Callahan was sentenced to five (5) years probation, and ordered to pay \$130.00 in court costs, \$67,000.00 in restitution, and perform 200 hours of community services.
9. On or about June 23, 2006, Respondent was convicted and sentenced for violating two federal felonies - 18 USC 1343 (Wire Fraud), and 18 USC 1344(2) & 18 USC 20(1) (Financial Institutions Fraud).

WHEREAS, Section 201(b) of the Michigan Uniform Securities Act, states that the registration of an agent is not effective during any period when the agent is not associated with a particular broker dealer registered under this Act; and

WHEREAS, Section 204(a)(1)(C) of the Michigan Uniform Securities Act, states that the administrator may by order, if it finds the order in the public interest, deny, suspend, or revoke any registration, or censure a registrant, if the registrant has been convicted of any misdemeanor involving moral turpitude; and

WHEREAS, Section 204(a)(1)(G) of the Michigan Uniform Securities Act, states that the administrator may by order, if it finds the order in the public interest, deny, suspend, or revoke any registration, or censure a registrant, if the registrant has engaged in dishonest or unethical business practices; and

WHEREAS, on November 15, 2005, Callahan plead guilty to a felony embezzlement charge under Section 174 of the Michigan Penal Code, MCL 750.174; and

WHEREAS, on or about June 23, 2006, Callahan was convicted and sentenced for violating two felonies under 18 USC 1343, 18 USC 1344(2), and 18 USC 20(1); and

WHEREAS, being terminated for misuse of client funds and being convicted of state and federal felonies are both dishonest or unethical business practices; and

WHEREAS, this action is necessary, appropriate, and in the public interest for the protection of the public and is consistent with the purposes fairly intended by the policy and provisions of the Act.



**B. ORDER**

Based upon the foregoing findings of fact and conclusions of law, **IT IS HEREBY ORDERED**, pursuant to Sections 204 and 408 of the Act, MCL 451.604, and 451.808, that:

1. Carolyn Sue Callahan's agent registration is **REVOKED**.
2. Carolyn Sue Callahan shall cease and desist from transacting business in the State of Michigan as a securities agent.

**PLEASE BE ADVISED** that your failure to comply with the terms of this ORDER may subject you to sanctions, fines, and/or penalties, including but not limited to the following:

- (a) The imposition of additional civil penalties of not more than \$1,000 for each violation of this Act, not to exceed a total of \$10,000; and/or
- (b) Pursuant to Section 409 of the Act, MCL 451.809, any willful violation of certain provisions of the Act shall, upon conviction, result in a fine of not more than \$25,000 for each violation, or imprisonment for not more than 10 years, or both.

You may file with the Administrator **within 15 days after service of this Order** a written request for a hearing. The Administrator, within 15 days after your filing, shall issue a notice of hearing and set a date for the hearing. Any request for a hearing should be addressed to: The Office of Financial and Insurance Services, Attention: Hearing Coordinator Dawn Kobus, P.O. Box 30220, Lansing, Michigan 48909.

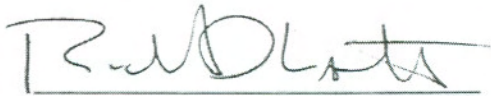
If you do not request a hearing, or it is not ordered by the Administrator within 15 days, this Order will stand as entered and will be **FINAL**.

It is important to understand that any statements that you present in response to this Order may be used against you at a hearing. It is also important to understand that you have the right, at your own expense, to have an attorney assist you at a hearing.

Order to Revoke Agent Registration  
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Any other communication regarding this Order should be addressed to the Office of Financial and Insurance Services, Attention: William R. Peattie, P.O. Box 30220, Lansing, Michigan 48909.

MICHIGAN DEPARTMENT OF  
LABOR & ECONOMIC GROWTH

By:   
Richard D. Lavolette  
Chief Deputy Commissioner  
Office of Financial and Insurance Services

Dated: NOVEMBER 27, 2006